
FISCAL UPDATE Article

Fiscal Services Division

September 20, 2019



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LEGISLATIVE FISCAL COMMITTEE MEETING — SEPTEMBER 2019

Meeting. The Legislative Fiscal Committee of the Legislative Council met on September 16, 2019 at the Van G. Miller Adult Learning Center at Hawkeye Community College in Waterloo, Iowa. Upon approval of the September 2018 minutes, the following agenda items were presented and discussed:

Presentation: Northeast Iowa Community College (NICC) No-Cost Childcare Initiative. Wendy Mihm-Herold, PhD., Vice President of Business and Community Solutions of NICC, and Kristin Dietzel, Vice President of Workforce Solutions of the Greater Dubuque Development Corporation, presented the Committee with an overview and update of a child care pilot program developed through public/private partnerships in the greater Dubuque area. The "No-Cost Childcare Initiative" is a program established with assistance and support from NICC and local employers in the greater Dubuque region to provide and fund additional child care options for students training for high-demand employment positions. Goals of the Program include training underemployed and unemployed individuals through short-term training programs for a variety of trades, including manufacturing, health care, and child care. While participating in the training program and during the first year of post-graduate full-time employment, students are eligible for child care assistance when training or working with over 80 Dubuque area businesses.

Dr. Mihm-Herold and Vice President Dietzel also shared with the Committee that the budget for the No-Cost Childcare Initiative for January 2019 through June 2021 totals \$342,500, including \$32,000 to fund a local child care provider for 100 children at approximately \$4 per hour and \$310,500 for 12 months of child care for an additional 100 children of Program graduates. Funding has been provided in various amounts by the following public/private partnerships with NICC:

- Greater Dubuque Development Corporation (\$152,500)
- Child Care Resource and Referral
- The Community Foundation of Greater Dubuque (\$30,000)
- The City of Dubuque (\$80,000)
- Dubuque County (\$80,000)
- The Dubuque Community YMCA/YWCA

Presentation: Iowa Economic Development Authority (IEDA) Market Research and Campaign. Ms. Jacque Matsen, Communications Director for the IEDA, provided an update on the Authority's current market research and campaign geared toward updating the perception of Iowa among out-of-state visitors and potential new residents. Director Matsen shared results of a recent marketing survey, a pop-up real estate market in New York City, and the positive results and comments found on the campaign advertising strategy website, www.thisisiowa.com.

Revenue Update. Jeff Robinson, Senior Legislative Analyst with the Fiscal Services Division, presented on various economic indicators including inflation, unemployment, and wage and salary growth. Mr. Robinson also presented on the status of the current FY 2019 net revenue calculations. Currently, the actual FY 2019 collected revenue appears to be approximately \$122.5 million above the FY 2019 Revenue Estimating Conference (REC) estimate. Net receipts from July 1, 2019, through September 14, 2019 (FY 2020), are \$22.0 million (1.4%) ahead of the same period in FY 2019.

Presentation: Bottle and Can Deposit and Redemption Processes in Iowa. Dr. Dermot Hayes, Professor of Economics and Finance from Iowa State University, presented on the history of Iowa's beverage container law and some scenarios on ways to modernize the law. Dr. Hayes also offered to calculate different scenarios for the General Assembly.

Following Dr. Hayes' presentation, Alex Moon, Land Quality Bureau Chief with the Iowa Department of Natural Resources, presented on Iowa's beverage container law. Mr. Moon discussed reimbursement rates in other states as well as some bottle bill challenges in Iowa, including:

- The one-cent handling fee has remained unchanged in Iowa since 1979.
- Redemption centers have seen reduced hours of operation, and due to increased costs, are in some instances reimbursing less than the full refunds.
- There are fewer than 100 redemption centers in Iowa.
- Violations of the bottle bill are simple misdemeanors issued by local government. There is no State government enforcement.

General Fund Balance Sheet Update. Dave Reynolds, Senior Legislative Analyst with the Fiscal Services Division, provided members of the Fiscal Committee with an update on the General Fund budget. The current ending balance surplus is estimated to total \$166.1 million for FY 2019, and \$277.1 million for FY 2020; however, this will change once the FY 2019 finances are reconciled. Mr. Reynolds discussed the Performance of Duty appropriation, which is under the authority of the Executive Council. The appropriation is used to cover emergency expenditures of State property and to provide State match for federal dollars received from the Federal Emergency Management Agency (FEMA) for disaster relief. Mr. Reynolds also discussed the Taxpayer Relief Fund.

Presentation: Last-Dollar Scholarship Program. Todd Brown, Financial Aid Program Division Administrator with the College Student Aid Commission, presented on the Last-Dollar Scholarship Program as established pursuant to [House File 758](#) (FY 2020 Education Appropriations Act). The Program is intended to assist qualified students in covering any remaining gap between federal and State grants, scholarships, and tuition. Funds will be available in the fall of 2019.

Mr. Brown also mentioned that the College Student Aid Commission has identified various recommended improvements to the program for the 2020 Legislative Session. These include:

- Allowing new high school graduates that are required to take prerequisite courses to access the Last-Dollar Scholarship;
- Addressing an issue relating to persons 19 years of age to eliminate a gap in eligibility between graduation and adult learners;
- Allowing new high school graduates who enroll in postsecondary education part-time during the summer term to receive a Last-Dollar Scholarship award.

The Last-Dollar Scholarship is funded by a \$13.0 million General Fund appropriation for FY 2020. Applicants must be enrolled at an Iowa community college or accredited private college.

Adjournment and Tour. After a brief discussion, the meeting was adjourned. Upon adjournment, interested Committee members toured the University of Northern Iowa's Industrial Technology Center and took part in a discussion of the Center's proposed renovation project.

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